



Agenda Date: 3/16 /06

Agenda Item: IIA

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

ENERGY

IN THE MATTER OF THE PETITION OF NEW
JERSEY NATURAL GAS COMPANY FOR
APPROVAL OF A MUNICIPAL FRANCHISE IN
THE BOROUGH OF MANTOLOKING, OCEAN
COUNTY

DECISION AND ORDER

) DOCKET NO. GE05110995

(SERVICE LIST ATTACHED)

BY THE BOARD:

New Jersey Natural Gas Company ("NJNG" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), distributes natural gas and provides transportation service at retail to over 463,000 residential, commercial and industrial customers in Monmouth and Ocean Counties and parts of Middlesex and Monmouth Counties. Beginning on April 16, 1979, NJNG held a 25-year franchise to maintain and operate natural gas facilities within the Borough of Mantoloking ("Borough") in Ocean County for the purpose of furnishing natural gas in the municipality through April 16, 2004. Subsequently, by means of a Resolution adopted on October 17, 2005, the Borough extended the franchise for a 15-year period running from October 17, 2005, through October 16, 2020. The Company accepted and agreed to the terms and conditions of the franchise by letter forwarded to the Borough on November 14, 2005.

On November 30, 2005, NJNG filed a petition, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, requesting that the Board approve the municipal consent granted to the Company by the Borough. After appropriate notice, a hearing was held on January 25, 2005, at the Board's Newark offices before Edward D. Beslow, Esq., the Board's duly designated Hearing Examiner.

At hearing, NJNG relied on the testimony of John B. Wyckoff, its Manager of Engineering. Mr. Wyckoff stated that the Company presently serves about 1,300 customers in the Borough, of which only one percent is not residential. He further noted that, over the next five years, it is anticipated that an additional 30 customers will be added to the NJNG system as a result of normal area growth. The witness also testified that the Company has adequate staff and equipment with which to respond to emergency calls, and that such calls are handled by crews from the NJNG field offices located in Lakewood and Wall Townships, both of which also serve as customer service offices. Mr. Wyckoff went on to state that NJNG has continued to provide

service during the period since the prior consent terminated on April 16, 2004, without the occurrence of any major service interruptions or significant customer complaints and that, in his opinion, the renewal of the municipal consent would be proper and would foster the public good and convenience. He further testified that the rates for services to customers would not be affected by the renewal of the consent and that, as is the case in other portions of the Company's service areas, repairs to and replacement of sections of the NJNG system within the Borough would occur on an "as needed" basis.

By letter dated February 24, 2006, the Division of the Ratepayer Advocate indicated that it did not oppose the approval of the relief requested in the petition provided that the Board include certain language that is standard to Orders in matters such as this. Said language is contained in the provisions set out below.

Based on the foregoing and a review of the complete record in this matter, the Board HEREBY FINDS that:

- 1 NJNG has the necessary experience, financial capability and facilities to allow it to continue to provide safe, adequate and proper natural gas service in the Borough of Mantoloking; and
2. The consent granted to NJNG by the Borough is necessary and proper for the public convenience and properly conserves the public interests.

Accordingly, the Board HEREBY ORDERS that the consent granted to New Jersey Natural Gas Company by the Borough of Mantoloking in the form a Resolution adopted by the Borough on October 17, 2005, is HEREBY APPROVED pursuant to the provisions of N.J.S.A. 48:2-14.


The approval granted hereinabove shall be subject to the following provisions

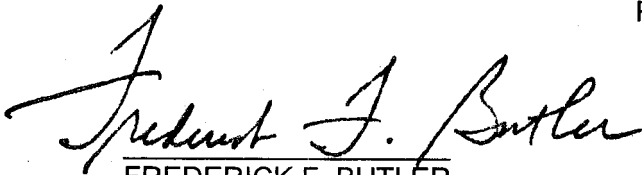
- 1 The rates for service to NJNG's existing customers shall continue to be those set out in the Company's current tariff approved by and on file with the Board;
2. Approval of this municipal consent resolution does not constitute Board approval of any costs or expenses associated with this franchise renewal. Any determination as to the appropriateness or reasonableness of any costs and expenses related to the franchise, including, but not limited to, the cost of construction, contributions in aid of construction, the cost of connection or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding;
3. This Order shall not affect or in any way limit the authority of this Board or of this State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation or any other matters affecting the Company; and

4. This Order shall not be construed as directly or indirectly fixing, for any purposes whatsoever, any value of any tangible or intangible assets now owned or hereafter to be owned by NJNG.


DATED: 3/22/06


BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

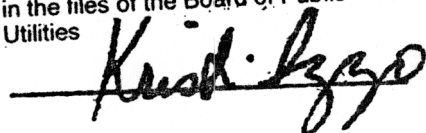

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



**I/M/O the Petition of New Jersey Natural Gas Company for
Approval of a Municipal Franchise in the Borough of
Mantoloking, Ocean County
DKT. NO. GE05110995**

SERVICE LIST

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